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C O N F I D E N T I A L SECTION 01 OF 07 CARACAS 00734

E.O. 12356: DECL:OADR
TAGS: PREL, PGOV, PINS, PINR, ELAB, SOCI, PHUM, VE
SUBJECT: POLITICS IN VENEZUELA, #1/92: AN OCCASIONAL
SERIES

REF: CARACAS 91/12543

1. C - ENTIRE TEXT.

2. TOPICS FOR THIS ISSUE:

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-- OVERVIEW
-- PARTY POLITICS
-- CORRUPTION
-- SOCIAL CONDITIONS/UNREST
-- CONGRESS
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3. OVERVIEW

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IN RECENT WEEKS, THE TONE OF VENEZUELAN POLITICS HAS IMPROVED AND STABILIZED TO AT LEAST A MODEST EXTENT. IN LATE NOVEMBER-EARLY DECEMBER 1991, BY CONTRAST, VIOLENT STUDENT DEMONSTRATIONS HAD FOCUSED PUBLIC ATTENTION ON SOCIAL DISCONTENTS AND ECONOMIC HARDSHIPS THAT HAVE PERSISTED DESPITE VENEZUELA'S NEARLY 10 PERCENT GROWTH RATE LAST YEAR. THERE WAS A BRIEF CRISIS OF CONFIDENCE. PRESIDENT PEREZ MADE A CONTROVERSIAL DECISION TO CLOSE ALL PUBLIC HIGH SCHOOLS AND UNIVERSITIES UNTIL AFTER CHRISTMAS.

OVER THE HOLIDAYS, PEREZ ANNOUNCED PLANS FOR A NEW FORM OF STUDENT DISCOUNT ON BUS FARES (ADDRESSING A KEY CAUSE OF PREVIOUS DISCONTENT). ALTHOUGH STUDENT DEMONSTRATIONS RESUMED WITH THE JANUARY RE-OPENING OF THE SCHOOLS, THEY INITIALLY ARE SMALLER AND LESS SERIOUS. PEREZ ALSO DECREED A PUBLIC EMPLOYEES PAY INCREASE OF 20 PERCENT AND AN INCREASE OF 33 PERCENT (FROM 6,000 TO 8,000 BOLIVARES MONTHLY) IN THE MINIMUM WAGE. HE SHOOK UP HIS CABINET (REF. CARACAS 00315), PROMOTING MAINLY TECHNOCRATS WHO

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WOULD HOLD FIRM ON THE SUBSTANCE OF CURRENT ECONOMIC POLICIES AND MAKING ONLY TRIFLING CONCESSIONS TO THE ACCION DEMOCRATICA (AD) PARTY MACHINERY.

THE NET RESULT OF THESE VARIOUS MEASURES WAS A RENEWED SENSE OF PRESIDENTIAL LEADERSHIP. THE QUASI-CRISIS ATMOSPHERE HAS DISSIPATED. WHILE MAJOR LONG-TERM PROBLEMS IN THE POLITICAL SYSTEM REMAIN (CORRUPTION, LACK OF RESPONSIVENESS, LOW LEVEL OF PUBLIC AND INSTITUTIONAL DEBATE ABOUT NATIONAL ISSUES, INCOMPETENCY IN THE ADMINISTRATION OF GOVERNMENT SERVICES SUCH AS EDUCATION AND HEALTH), PEREZ HAS IN SOME MEASURE RECOVERED THE INITIATIVE. HE FACES RENEWED CHALLENGES ALMOST IMMEDIATELY. THE NEXT CONGRESSIONAL SESSION IS SCHEDULED TO TAKE UP THE REMAINING UNFINISHED BUSINESS OF THE ECONOMIC REFORM "PACKAGE", INCLUDING A VALUE-ADDED TAX, FINANCIAL REFORMS INCLUDING A NEW BANKING LAW, IPR, PRIVATIZATION LAW, ANTI-DUMPING LAW, AND MINING LEGISLATION.

DESPITE HIS RECENT DEMONSTRATION OF LEADERSHIP, PEREZ IS NOW DEMONSTRATING CERTAIN ATTRIBUTES OF APPROACHING LAME DUCK STATUS. THE CONGRESS, FOR EXAMPLE, HAS ALREADY REJECTED HIS MINIMUM WAGE INCREASE AS TOO SMALL. (IT IS LIKELY TO PASS EVENTUALLY AFTER BEING RAISED; AD INSIDERS

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CLAIM TO BE UNSURE HOW HIGH IT WILL GO). THE POLITICAL
ATMOSPHERE OF COMING MONTHS WILL BE INCREASINGLY DOMINATED
BY ELECTORAL CONCERNS. STATE AND LOCAL ELECTIONS WILL BE
CELEBRATED NATIONALLY EARLY IN DECEMBER 1992. PARTY
ALLIANCES ARE ALREADY BEING NEGOTIATED ON A LOCAL BASIS.
ALL THE PARTIES REGARD THE 1992 ELECTIONS AS IMPORTANT FOR
THE PRESIDENTIAL AND CONGRESSIONAL ELECTIONS THAT FOLLOW

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NEXT YEAR -- BECAUSE THEY WILL POSITION PARTY ACTIVISTS
WHERE THEY CAN USE THEIR OFFICIAL POSITIONS TO HELP, AND
BECAUSE OF THE EFFECT ON PUBLIC OPINION FROM THE
APPEARANCE OF PARTY MOMENTUM.

IN THIS SITUATION, PEREZ WILL FIND IT INCREASINGLY
DIFFICULT TO GET CONTROVERSIAL LEGISLATION THROUGH THE
CONGRESS. HE WILL FACE INCREASINGLY POLITICIZED
CRITICISM, SOME OF IT COMING FROM WITHIN AD, OF WHATEVER
HE ATTEMPTS TO DO. NEITHER HE NOR HIS CRITICS WILL BE
ABLE TO BUILD A NATIONAL CONSENSUS.

THE NEXT MAJOR POLITICAL BATTLE IS ALREADY WARMING UP,
OVER THE GOV BUDGET. RECENT PRICE DECLINES IN OIL HAVE

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CREATED A SUBSTANTIAL POTENTIAL SHORTFALL (ALTHOUGH THE
GOV HAS SOME ONE-SHOT REVENUES AVAILABLE TO CUSHION THE
BLOW). THIS IS NOT DIRECTLY THE CURRENT GOV'S "FAULT";
ANY GOV WOULD REMAIN VULNERABLE ON OIL PRICES. BUT WE
ANTICIPATE (UNLESS OIL RECOVERS PROMPTLY) WEEKS OF BITTER
WRANGLING BETWEEN THE PRESIDENT AND THE CONGRESS OVER WHO
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IS TO BLAME AND HOW TO REACT. OPPOSITION PARTY LEADERS
(AND SOME WITHIN AD) WILL ACCUSE THE GOV OF WASTING PUBLIC
FUNDS AND OF FAILING TO ADEQUATELY DEFEND OIL PRICES (VIA
OPEC OR OTHERWISE). SUBSTANTIAL REDUCTIONS IN PUBLIC
EXPENDITURES MAY BE ANNOUNCED, BUT WILL BE NOTORIOUSLY
DIFFICULT TO MAKE EFFECTIVE. IT ALSO SEEMS LIKELY THAT
THE CORRUPTION ISSUE WILL MOVE BACK INTO THE HEADLINES, AS
POLITICIANS ATTEMPT TO PIN THE NATION'S DIFFICULTIES ON
ACTUAL FRAUD BY THEIR OPPONENTS. AND, LABOR UNREST AND A
REVIVAL OF STUDENT-LED VIOLENCE REMAIN POTENTIALLY SERIOUS
PROBLEMS IN THE SHORT TO MEDIUM TERM.

4. PARTY POLITICS

AD OFFICIAL CRITICIZES CAP FOR EXCESSIVE ABSENCES FROM
VENEZUELA:

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EX-MINISTER AND FORMER PRESIDENT OF THE CONGRESS SEN. OCTAVIO LEPAGE HAS JOINED IN CRITICISM OF THE PRESIDENT FOR EXCESSIVE ABSENCES FROM THE COUNTRY. ALTHOUGH AGREEING THAT TRIPS ABROAD BY THE CHIEF-OF-STATE WERE ABSOLUTELY "NORMAL", LEPAGE ADDED THAT "WHEN THE COUNTRY FINDS ITSELF IN A DIFFICULT SITUATION OF GENERALIZED TENSION (A REFERENCE TO THE NUMEROUS STUDENT AND LABOR DEMONSTRATIONS LATE LAST YEAR), IT WOULD PERHAPS BE PRUDENT FOR THE PRESIDENT NOT TO MAKE A LENGTHY TRIP." SEPARATELY BUT APROPOS OF THE SAME POINT, COPEI AND MAS CONGRESSMEN ABSTAINED ON THE JANUARY 8 VOTE AUTHORIZING

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CAP TO TRAVEL TO EL SALVADOR JANUARY 16-17 FOR THE SIGNING OF THE SALVADORAN PEACE AGREEMENT, ON GROUNDS THAT HIS PRESENCE THERE WAS NOT REALLY NECESSARY. THEY MAY ABSTAIN AS WELL ON THE VOTE AUTHORIZING CAP'S TRAVEL TO NEW YORK FOR THE JANUARY 31 UNSC SUMMIT.

ACCION DEMOCRATICA SELECTS NEW CONGRESSIONAL LEADERSHIP:

AD'S NATIONAL EXECUTIVE COMMITTEE (CEN) HAS CHOSEN SEN. DAVID MORALES BELLO AS ITS CANDIDATE FOR PRESIDENT OF THE CONGRESS (TANTAMOUNT TO ELECTION). LUIS AGUILES MORENO WILL BE THE NEW SECRETARY OF THE SENATE. CONGRESSMAN TIMOTEO ZAMBRANO, AD'S ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS AND A KEY FIGURE IN THE PRESIDENTIAL CAMPAIGN TEAM OF CARLOS CANACHE MATA, WAS NAMED SECRETARY GENERAL OF THE FEDERAL DISTRICT GOVERNMENT, WORKING FOR NEW GOVERNOR ANTONIO LEDEZMA.

AD AND LOCAL ELECTIONS IN 1992:

AD HAS APPARENTLY DECIDED NOT TO HAVE ITS GUBERNATORIAL AND MUNICIPAL CANDIDATES SELECTED BY LOCAL PARTY MEMBERS. AN AD SPOKESMAN CLAIMED RECENTLY THAT, THROUGH THE USE OF OPINION POLLS, THE PARTY WILL BE ABLE TO DETERMINE THE "ELECTABILITY" OF DIFFERENT AD LOCAL CANDIDATES, WHEREAS HAVING LOCAL MEMBERS CHOOSE DELEGATES COULD PROVOKE INTERNAL FIGHTS AND WEAKEN THE PARTY VIS-A-VIS THE OPPOSITION.

HUMBERTO CALERON BERTI CRITICIZES EDUARDO FERNANDEZ:

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SOCIAL CHRISTIAN (COPEI) CONGRESSMAN AND FORMER MINISTER
OF ENERGY AND MINES HUMBERTO CALDERON BERTI, A
PRE-CANDIDATE FOR COPEI'S 1993 PRESIDENTIAL NOMINATION,
HAS RECENTLY BEGUN TO HIT OUT AT PARTY SECRETARY GENERAL
EDUARDO FERNANDEZ, THE ODDS-ON FAVORITE TO WIN IT.
CALDERON BERTI SAYS THE PARTY'S PRIORITY SHOULD BE THE
FIGHT AGAINST INFLATION AND ITS PRINCIPAL CAUSE, EXCESSIVE
PUBLIC SPENDING, RATHER THAN SOCIAL POLICY. "I BELIEVE
THAT THE BEST SOCIAL PROGRAM IN THE SHORT TERM IS THE
STRUGGLE AGAINST INFLATION." CALDERON BERTI ALSO
PERSONALLY CRITICIZED FERNANDEZ, AS HAVING YIELDED TO "THE
TEMPTATION OF DEMAGOGY." THE FERNANDEZ CAMP PROFESSES TO
BE PLEASED BY CALDERON BERTI'S CAMPAIGN ACTIVITY, ON THE
GROUNDS THAT HE IS NO DANGER TO THE PARTY LEADER AND THAT
HIS STATUS AS A CONTENDER FOR THE NOMINATION LENDS
LEGITIMACY TO THE LATTER'S STRUGGLE FOR IT.

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SURPRISE| CALDERA ONCE AGAIN HINTS HE WILL BE A
PRESIDENTIAL CANDIDATE:

FORMER PRESIDENT (AND COPEI FOUNDER) RAFAEL CALDERA TOLD
THE MEDIA ON JANUARY 5 IN BARQUISIMETO THAT HE WAS
INCLINED TO BECOME A PRESIDENTIAL CANDIDATE. CALDERA
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ELABORATED BY SAYING THAT HE HAD BEEN IMPRESSED BY THE
NATIONAL CLAMOR FOR POLITICAL HONESTY AND BY THE NEED TO
TRANSCEND PARTY BOUNDARIES IN THE SEARCH FOR SOLUTIONS TO
NATIONAL PROBLEMS, SOLUTIONS IN TURN BASED ON A "TRUE
NATIONAL UNDERSTANDING AMONG BROAD SECTORS OF SOCIETY."
NATURALLY, HE ADDED, THE "COPEI ELEMENT" WAS AN
"INDISPENSABLE" INGREDIENT IN SUCH A CONCEPTION.

MAS DEFINES ELECTORAL STRATEGY:

IN EARLY JANUARY, THE NATIONAL LEADERSHIP OF MAS DECIDED
ON A STRATEGY EMPHASIZING LOCAL ALLIANCES FOR THE DECEMBER
1992 STATE AND LOCAL ELECTIONS. SINCE THESE LOCAL
ELECTIONS WILL IMPACT ON THE NATIONAL ELECTIONS IN 1993,
THE PARTY LEADERSHIP WILL "PLAY A ROLE" IN DECISIONS ON
LOCAL ALLIANCES SO AS TO SAFEGUARD NATIONAL STRATEGY.
PARTY PRESIDENT ARGELIA LAYA ADDED THAT MAS CONSIDERED THE
MUNICIPAL ELECTIONS MORE IMPORTANT THAN THE PRESIDENTIAL
ELECTION, SINCE THE COUNTRY'S PROBLEMS COULD NOT BE
RESOLVED BY PRESIDENTIAL ACTION. MAS, FOR EXAMPLE, IS
CONSIDERING RUNNING ITS PAST PRESIDENTIAL CANDIDATE,
TEODORO PETKOFF, FOR MAYOR OF CARACAS.

5. CORRUPTION

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CAPRILES CASE REMAINS NEWS:

MANASES CAPRILES, SUSPECTED BY MANY OF KILLING HIS WIFE
LORENA MARQUEZ LAST JUNE, IS FREE ON A "CONDITIONAL
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LIBERTY" BASIS AFTER BEING CHARGED WITH REFUSAL TO TESTIFY
BEFORE CONGRESS ABOUT THE CASE. FOLLOWING THE COURT
DECISION GRANTING HIM THIS STATUS, CAPRILES ISSUED VEILED
THREATS AGAINST LORENA'S STEP-FATHER GALDO FERRER AND
AGAINST COPEI DEPUTY AND ANTI-CORRUPTION FIGHTER PACIANO
PADRON (WHO WILL PROBABLY BE ELECTED PRESIDENT OF THE
CHAMBER OF DEPUTIES IN MARCH). THE LATTER, HE BLUSTERED,
WOULD "NEVER AGAIN BE ELECTED DEPUTY FROM ARAGUA STATE."

A SPECIAL CONGRESSIONAL COMMITTEE INVESTIGATING LORENA
MARQUEZ' DEATH REJECTED THE POSSIBILITY OF SUICIDE IN ITS
RECENT REPORT, DESPITE A TECHNICAL JUDICIAL POLICE (PTJ)
FINDING THAT SUPPORTED THE SUICIDE THEORY. THE COMMITTEE
RECOMMENDED THAT PRESIDENT PEREZ IMMEDIATELY "RESTRUCTURE"
THE PTJ. IN ADDITION, GIVEN THE UNUSUALLY LARGE NUMBER OF
ARAGUA STATE CONTRACTS AWARDED TO THE CAPRILES FAMILY AND
A SERIES OF "IRREGULARITIES" IN THE CONTRACTING PROCESS
THERE, THE COMMITTEE RECOMMENDED FURTHER INVESTIGATION BY
THE CHAMBER'S (LOWER HOUSE) COMPTROLLER COMMISSION.

COMMENT: THE CAPRILES CASE WAS BANNER NEWS IN JUNE-JULY,
BECAUSE OF THE FAMILY'S CLOSE TIES TO CARLOS TABLANTE,
MAS' ONLY STATE GOVERNOR. NOW THE CASE IS FOLLOWING THE
FAMILIAR PATH OF POLITICIZED VENEZUELAN JUSTICE -- A
COMPLEX TANGLE OF PROCEDURAL MOTIONS AND LESSER ISSUES,
FROM WHICH ULTIMATELY THE ACCUSED IS LIKELY TO SURFACE
WITHOUT A STAIN ON HIS (LEGAL) CHARACTER, ALTHOUGH
SCARCELY ANYONE WILL BELIEVE HIM INNOCENT.

CIVIL COURT TO HEAR MARGOLD MUNITIONS SCANDAL CASE:

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THE SUPREME COURT ISSUED A RULING ON JANUARY 14 THAT THE
CIVIL PUBLIC PATRIMONY COURT WOULD HEAR THE MARGOLD
MUNITIONS SCANDAL CASE, INVOLVING GARDENIA MARTINEZ AND

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FORMER PRESIDENTIAL SECURITY CHIEF ORLANDO GARCIA.
FOLLOWING THEIR INDICTMENT, A MILITARY COURT MARTIAL HAD
CLAIMED JURISDICTION OWING TO THE NATURE OF THE ALLEGED
CRIME: FAILURE TO COMPLY WITH AN ALMOST \$5 MILLION
CONTRACT FOR THE SUPPLY OF MUNITIONS TO THE ARMED FORCES.
THE CASE WILL NOW PROCEED IN THE CIVIL COURT.

COMMENT: GARCIA HAD BEEN A CLOSE ASSOCIATE OF PRESIDENT
PEREZ FOR THIRTY YEARS. THIS CASE WAS (AND PERHAPS
REMAINS) THE MOST POTENTIALLY EMBARRASSING TO THE
PRESIDENT HIMSELF OF ALL THE CORRUPTION CHARGES THAT HAVE
SURFACED IN THE LAST YEAR. HOWEVER, BOTH MARTINEZ AND
GARCIA ARE OUT OF THE COUNTRY AND NOT EXPECTED TO RETURN.

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TO SECSTATE WASHDC PRIORITY 7770
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PRECEDENT SUGGESTS THE CASE WILL DRAG ON UNTIL AFTER PEREZ
LEAVES OFFICE, AT WHICH TIME IT MAY DISTURB HIS RETIREMENT.

6. SOCIAL CONDITIONS/UNREST

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STUDENT PROTESTS RE-INITIATED:

JANUARY 16 WAS PROCLAIMED "DAY OF AGITATION" BY STUDENT
LEADERS, AND AGITATE THEY DID IN VARIOUS CITIES. LOS
TEQUES, A CITY OUTSIDE CARACAS, EXPERIENCED THE MOST
VIOLENCE. POLICE WERE FORCED TO USE TEAR-GAS AND PLASTIC
BULLETS TO DISPERSE STUDENTS ATTEMPTING TO CLOSE MAJOR
ROADS. POLICE EFFORTS TO CLEAR THE ROADS AND ARREST
STUDENTS WERE HAMPERED BY THE SUPPORT GIVEN TO THE
STUDENTS BY THE LOCAL POPULATION.

IN CARACAS THE NATIONAL GUARD IMPEDED THE HIJACKING AND
BURNING OF TRUCKS BY SOME STUDENTS; IN MARACAY AND
BARQUISIMETO PROTESTORS BURNED TWO TRUCKS, WHILE IN CORO
THEY STONED THE BUILDING OF THE GENERAL ASSEMBLY.

COMMENT: INITIAL INDICATIONS (THROUGH 1/23) ARE THAT THE
STUDENTS HAVE LOST FORCE AND MASS SUPPORT DURING THE LONG
BREAK AND AS A RESULT OF MEASURES TAKEN BY PRESIDENT
PEREZ. HOWEVER, IF TEACHERS GO ON STRIKE SOON, THE SIZE
AND VIOLENCE OF STUDENT DEMONSTRATIONS COULD RECOVER. THE
TEACHERS' UNION HAS REQUESTED A PAY INCREASE OF 20
PERCENT, AND CALLED ON TEACHERS TO STRIKE IF THEIR DEMANDS
ARE NOT MET. PRESIDENT CARLOS ANDRES PEREZ, IN HIS WEEKLY
RADIO ADDRESS (JANUARY 16), TOLD THE TEACHERS THAT THE
GOVERNMENT COULD NOT AFFORD THE FULL INCREASES DUE TO
FALLING PETROLEUM PRICES. PEREZ ALSO SAID THAT IF THE
TEACHERS CONTINUED THEIR DEMANDS FOR AN INCREASE IN
SALARY, THE CHILDREN OF THE COUNTRY MIGHT "LOSE AN ENTIRE
YEAR" OF SCHOOLING.

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COMMENT: WE TAKE THIS AS AN UNSUBTLE REMINDER THAT HE WAS WILLING TO CLOSE SCHOOLS FOR MORE THAN A MONTH IN RESPONSE TO RIOTS, AND WOULD DO THE SAME AGAIN IN CASE OF NEED. THE GOVERNMENT'S REFUSAL TO AGREE TO A 20 PERCENT RAISE FOR TEACHERS IS SEEMINGLY AT ODDS WITH CAP'S DECEMBER 30 PROMISE TO GIVE ALL PUBLIC EMPLOYEES A 20 PERCENT RAISE IN 1992.

SECURITY EXPERTS BELIEVE SUBVERSION IS GROWING:

A GROUP OF SECURITY EXPERTS FROM THE PUBLIC AND PRIVATE SECTORS MET RECENTLY IN CARACAS AND REPORTEDLY CONCLUDED THAT SUBVERSION WAS GROWING IN VENEZUELA. ACCORDING TO MEDIA ACCOUNTS OF THE MEETING, THE EXPERTS INCLUDED PRESENT AND FORMER MEMBERS OF POLICE AND INTELLIGENCE AGENCIES, AND REPRESENTATIVES OF PRIVATE SECURITY COMPANIES. THE EXPERTS REPORTEDLY CONCLUDED THAT RECENT INDICATIONS OF POPULAR UNREST SHOULD BE ATTENDED TO BY THE NATIONAL GOVERNMENT, "SINCE IT WOULD COMMIT A GRAVE MISTAKE IF IT CONTINUED TO THINK THAT NOTHING DIFFERENT THAN WHAT WE ARE NOW EXPERIENCING COULD HAPPEN HERE."

THEY REPORTEDLY STATED THAT THEY DID NOT BELIEVE DEMOCRACY ITSELF WAS AS YET ENDANGERED, DESPITE THE "RADICAL RESURGENCE." BUT A PROCESS OF DECOMPOSITION OF THE STATE AND OF THE CREATION OF A "POWER VACUUM" HAD ALREADY BEGUN, AND HAD TO BE ARRESTED AS SOON AS POSSIBLE LEST THE ARMED FORCES EVENTUALLY STEP IN TO PREVENT ANARCHY. HENCE, THE GOV SHOULD IMMEDIATELY SEEK AN "EFFECTIVE" RESPONSE TO EXISTING SOCIAL MALAISE.

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IN REGARD TO RECENT STUDENT PROTESTS, THE GROUP CHARACTERIZED THEM AS CONTRIVED RATHER THAN SPONTANEOUS OWING TO THE PARTICIPATION OF A RADICAL "VANGUARD." (FORMER MINISTER OF THE INTERIOR IZAGUIRRE SUPPORTED THIS HYPOTHESIS IN DECEMBER 3 TESTIMONY TO THE CHAMBER OF DEPUTIES' INTERIOR COMMITTEE.) THESE RADICAL ELEMENTS, IN TURN, WERE AGAIN TRYING TO ORGANIZE THEMSELVES TO FOMENT ANTI-REGIME VIOLENCE AND, EVENTUALLY, A REVOLUTION.

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THESE GROUPS' "THEESIS OF REUNIFICATION," IN THE SECURITY EXPERTS' OPINION, CONSISTED OF THREE PARTS:

-- A MARXIST-LENINIST IDEOLOGICAL DEFINITION, A PRO-CHINESE LINE, HELP FROM ALBANIA AND NORTH KOREA AND CONTACT WITH RADICAL ARABS, THE PLO AND EUROPEAN TERRORIST

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GROUPS;

-- REINFORCEMENT OF THE "STRATEGIC VISION" OF OBTAINING

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POWER THROUGH ARMED STRUGGLE, INCLUDING A POPULAR UPRISING
LED BY THE BETTER ORGANIZED VANGUARD; AND

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-- THE CONVICTION THAT ISOLATED, SMALL GROUPS WOULD BE
UNABLE ALONE TO EXECUTE THEIR INTENTIONS, HENCE, THE NEED
FOR FORMING A CENTRALIZED GROUP.

THE EXPERTS ESTIMATED THE NUMBER OF RADICALS AT TWO
THOUSAND (2,000), AS YET MAINLY IN URBAN AREAS, BUT WARNED
THAT THEY WERE RECONSTITUTING RURAL FRONTS IN ANZOATEGUI,
MONAGAS, APURE, ZULIA AND TACHIRA STATES. THE EXPERTS
ALSO PREDICTED AN INCREASE IN CRIMES SUCH AS BANK
ROBBERIES AND KIDNAPPINGS AS THESE GROUPS BECAME MORE
ACTIVE.

COMMENT: ALTHOUGH RADICAL ELEMENTS HAVE BEEN TAKING
ADVANTAGE OF THE RIGHT OBJECTIVE CONDITIONS, I.E.,
CONTINUED INFLATION, PRICE INCREASES AND HIGH
UNEMPLOYMENT, TO ENGAGE IN PROVOCATIVE BEHAVIOR DURING
PUTATIVELY PEACEFUL STUDENT AND LABOR DEMONSTRATIONS AND
HAVE PROBABLY BEEN ATTEMPTING TO BOOST THEIR ORGANIZATION
EFFORTS ALSO, THE AUTHORITIES MAINTAIN CONSTANT
SURVEILLANCE OF THEIR ACTIVITIES AND ARE PREPARED TO
ENGAGE THEM AS APPROPRIATE.

VENEZUELAN BISHOPS CRITICIZE:

VENEZUELA'S ROMAN CATHOLIC BISHOPS AT THE RECENT 17TH
GENERAL ASSEMBLY OF THE VENEZUELAN EPISCOPAL CONFERENCE
ISSUED A DOCUMENT HARSHLY CRITICAL OF MANY ASPECTS OF
THEIR SOCIETY. "WE CALL ON PUBLIC AUTHORITIES TO RESPOND
TO THE CLAMOR OF THEIR COMMUNITIES AND TO GUARANTEE
HONESTY AND EFFICIENCY IN THE PROVISION OF PUBLIC
SERVICES, THE SECURITY OF PERSONS AND PROPERTY, AND THE

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PROPER ADMINISTRATION OF JUSTICE AND THE RULE OF LAW," ONE
PARTICIPANT TOLD JOURNALISTS. THE DOCUMENT ALSO CALLED ON
VENEZUELAN TO REJECT CORRUPTION, BLACKMAIL, FRAUD,
EGOISM, GREED, DELINQUENCY, WASTE, AND VIOLENCE. THERE

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WAS, THE CHURCH LEADERS CONTINUED, A STATE OF UNEASE, DISGUST, AND BAD FEELING AFFLICTING THE COUNTRY, THEY ALSO EXPRESSED CONCERN ABOUT A WIDENING GAP BETWEEN RICH AND POOR AND ABOUT AN EVENTUAL CHOICE OF ANARCHY OR FORCE (READ: A COUP) TO RESOLVE THE COUNTRY'S PROBLEMS. THE BISHOPS' CRITIQUE IS AS MUCH A POLITICAL AS A RELIGIOUS STATEMENT, REFLECTING A GRADUAL INCREASE IN THE VENEZUELAN CHURCH'S WILLINGNESS TO ENGAGE IN SOCIAL/POLITICAL CRITICISM.

7. CONGRESS

SPECIAL CONGRESSIONAL SESSION, JANUARY 28-FEBRUARY 20:

THE EXECUTIVE COMMISSION RESPONSIBLE FOR ESSENTIAL CONGRESSIONAL BUSINESS BETWEEN SESSIONS OF THE NATIONAL LEGISLATURE HAS CALLED, AT PRESIDENT PEREZ' REQUEST, AN "EXTRAORDINARY" SESSION FOR THE PERIOD JANUARY 28-FEBRUARY 20. (THE NEXT REGULAR SESSION BEGINS ON MARCH 2.) ACCORDING TO CHAMBER OF DEPUTIES PRESIDENT LUIS ENRIQUE OBERTO, MAJOR LEGISLATION TO BE CONSIDERED DURING THE SPECIAL SESSION INCLUDES THE NEW ELECTORAL LAW, AS WELL AS MANY ECONOMIC MEASURES -- "ILLICIT" INTERNATIONAL COMMERCIAL PRACTICES (ANTI-DUMPING), CONSUMER PROTECTION, RESTRUCTURING OF THE SOCIAL SECURITY SYSTEM, ABOLITION OF

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THE NATIONAL INSTITUTE OF PORTS, REFORM OF THE COMMERCIAL TAX CODE (POSSIBLY TO INCLUDE SOME FORM OF VALUE-ADDED TAX), PUBLIC CREDIT, AND MINING. THE SPECIAL SESSION IS ALSO SUPPOSED TO CONSIDER THE PRESIDENT'S RECOMMENDATIONS ON AMENDING THE LAW ON PRIVATIZATION. COMMENT: IT IS DOUBTFUL THAT THE SPECIAL SESSION WILL BE ABLE TO DEAL WITH EVERYTHING ON OBERTO'S LIST IN ONLY THREE AND A HALF WEEKS, ESPECIALLY IN VIEW OF THE HIGHLY POLITICIZED CLIMATE OF OPINION.

CAP AND THE CONGRESS AT LOGGERHEADS OVER FOREIGN POLICY?

DEPUTY CHAIRMAN OF THE CHAMBER OF DEPUTIES' FOREIGN AFFAIRS COMMITTEE RAMON GUILLERMO AVELEDO IN A JANUARY 12 MEDIA INTERVIEW COMMENTED AT LENGTH ABOUT GOV FOREIGN POLICY-MAKING AND ABOUT CONGRESS' FOREIGN POLICY

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	EB-01	HA-09	H-01	INRE-00	INR-01	IO-19	LAB-04
	L-03	ADS-00	NSAE-00	NSCE-00	OIC-02	OMB-01	PA-01
	PM-01	PRS-01	P-01	RP-10	SIL-01	SNP-01	SP-01
	SR-01	SS-01	STR-20	TRSE-00	T-01	USIE-00	FMP-01

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P 232151Z JAN 92
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 7772
INFO AMEMBASSY BOGOTA
AMEMBASSY LIMA
AMEMBASSY QUITO
AMEMBASSY LA PAZ

C O N F I D E N T I A L SECTION 06 OF 07 CARACAS 00734

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TAGS: PREL, PGOV, PINS, PINR, ELAB, SOCI, PHUM, VE
SUBJECT: POLITICS IN VENEZUELA, #1/92: AN OCCASIONAL

PREROGATIVES. ALTHOUGH AVELEDO'S REMARKS WERE PARTISAN,
REFLECTING HIS OPPOSITION (COPEI) PERSPECTIVE, HIS VIEWS
PROBABLY REFLECT THOSE OF A GOOD MANY OTHER CONGRESSMEN.
AVELEDO COMMENTED AS FOLLOWS:

-- THE MANNER IN WHICH CAP IS CONDUCTING VENEZUELAN
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FOREIGN POLICY MAY LEAD CONGRESS TO REFUSE TO AUTHORIZE
HIS ABSENCES FROM THE COUNTRY IF HE FAILS ADEQUATELY TO
JUSTIFY THEM.

-- YET, THE GOVERNMENT'S DECISION TO REDUCE THE MFA'S
BUDGET IS INCOMPREHENSIBLE GIVEN THE IMPORTANCE OF FOREIGN
POLICY TO THE COUNTRY AND ITS NEED TO DIVERSIFY ITS EXPORTS.

-- THE COUNTRY NEEDS AN ADEQUATELY ORGANIZED AND
REMUNERATED FOREIGN SERVICE BASED ON MERIT AND PROVIDED
WITH THE PROPER TECHNOLOGICAL INFRASTRUCTURE.

-- CAP'S FOREIGN POLICY AGENDA AS ENUNCIATED FOLLOWING HIS
RETURN FROM THE DECEMBER, 1991, RIO GROUP SUMMIT IN
CARTAGENA, I.E., PRIORITY TO LATIN AMERICAN INTEGRATION,
SOLIDARITY WITH THE THIRD WORLD AND RELATIONS WITH THE
FIRST WORLD, IS OFF THE MARK.

-- RATHER, VENEZUELAN DIPLOMACY SHOULD STRESS
COMMUNICATION WITH THE FIRST WORLD, I.E., NORTH AMERICA,
EUROPE AND JAPAN, TO OBTAIN INVESTMENT AND MARKETS FOR
VENEZUELAN EXPORTS.

-- LATIN AMERICAN INTEGRATION, ALTHOUGH IMPORTANT, SHOULD
BE PURSUED IN A PRAGMATIC, REALISTIC WAY, WITHOUT
ILLUSIONS. FOR EXAMPLE, THE GOV'S INORDINATE ATTENTION TO
THE ANDEAN PACT IS A MISTAKE, GIVEN ITS SMALL MARKET AND
MANY PROBLEMS.

-- VENEZUELAN DIPLOMACY IS TOO MUCH AT THE MERCY OF CAP'S
IMPULSES; A "MODEST" COUNTRY IN THE WORLD CONCERT,
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VENEZUELA SHOULD HAVE A SENSE OF PROPORTION AND ACT WITH
SOBRIETY AND EFFICACY.

-- IT IS TIME TO "UNIFY THE CRITERIA OF POLITICS AND
ECONOMICS" IN VENEZUELAN FOREIGN POLICY. VENEZUELAN
AMBASSADORS WILL HAVE TO LEARN THAT THEIR MISSION NOW IS
TO "SELL MANGOS"; IN OTHER WORDS, "THE PLACEMENT OF
VENEZUELAN PRODUCTS ON WORLD MARKETS IS OF THE UTMOST
PRIORITY."

-- HAITI IS A CASE IN POINT OF WHAT IS WRONG WITH

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VENEZUELAN DIPLOMACY. THE EXCESSIVE ATTENTION GIVEN IT IS OUT OF PROPORTION, TAKING INTO ACCOUNT THAT THE DESTINY AND LIBERTY OF AMERICA ARE NOT AT STAKE THERE.

-- THE COMMISSION OF WHICH HE IS DEPUTY CHAIRMAN WILL CLOSELY EXAMINE THE IMPLICATIONS OF VENEZUELAN FOREIGN AID DURING THE COMING YEAR.

8. LABOR

CONGRESS REJECTS CAP'S PROPOSED MINIMUM WAGE INCREASE:

THE SPECIAL CONGRESSIONAL COMMISSION CREATED TO EXAMINE THE PROPOSED INCREASES HAS RECOMMENDED THAT CAP'S DECREE BE RETURNED TO THE EXECUTIVE BRANCH FOR RECONSIDERATION ON THE GROUNDS THAT THE REQUIRED CONSULTATIONS AMONG BUSINESS, LABOR AND OTHERS DID NOT OCCUR, THAT THE PROPOSED INCREASES WERE INADEQUATE GIVEN THE RATE OF

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INFLATION IN 1991, AND THAT THE DECREE ITSELF DID NOT DIFFERENTIATE AMONG DIFFERENT REGIONS WITH DIFFERENT SOCIO-ECONOMIC CHARACTERISTICS. CTV TRADE UNION PRESIDENT ANTONIO RIOS SUPPORTS THE COMMITTEE'S ACTION.

THE EXECUTIVE COMMISSION OF CONGRESS HAS APPROVED THE SPECIAL COMMITTEE'S RECOMMENDATION, MEANING THAT CAP WILL HAVE TO RECONSIDER HIS PROPOSAL. CONGRESS PRESIDENT PEDRO PARIS MONTESINOS IS CALLING FOR AN INCREASE TO BETWEEN 9 AND 10,000 BS. MONTHLY. MANY OUTSIDE OBSERVERS ARE CALLING FOR A RAISE IN THE MINIMUM WAGE TO 12,000 OR EVEN 18,000 BS. A MONTH IN VIEW OF THE ALLEGED COST OF A FAMILY'S ESSENTIAL "FOOD BASKET," OSTENSIBLY SOME 20,000 BS. MONTHLY. CONG. CARLOS CANACHE MATA, IN A JANUARY 22 CONVERSATION WITH POLCOUNS, PREDICTED THAT THE MINIMUM WAGE WOULD BE INCREASED BY CAP TO WIN PASSAGE, BUT

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C O N F I D E N T I A L SECTION 07 OF 07 CARACAS 00734

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DECLINED TO ESTIMATE BY HOW MUCH. THE MINISTER OF LABOR
HAS ARGUED THAT AN INCREASE OF THE MINIMUM WAGE TO 12,000
BS. A MONTH WOULD CAUSE AN ADDITIONAL 54,000 PERSONS TO
LOSE THEIR JOBS AND WOULD INCREASE THE 1992 RATE OF
INFLATION BY MORE THAN 5 PERCENT.
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